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STATE QUARTERLY ECONOMIC DEVELOPMENTS

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U.S. DEPARTMENT OF COMMERCE
Economic Development Administration
Office of Minority Business Enterprise
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STATE QUARTERLY ECONOMIC DEVELOPMENTS

Ohio

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U.S. DEPARTMENT OF COMMERCE
Economic Development Administration
Office of Minority Business Enterprise
Bureau of Economic Analysis

January 1979

Prepared by:

The Regional Economic Analysis Division,
Bureau of Economic Analysis

For:

Office of Minority Business Enterprise and
Economic Development Administration

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INTRODUCTION

This is one of 51 reports published 4 times a year—in January, April, July, and October—on current economic developments in the States and the District of Columbia. The reports are the result of an interagency effort within the Department of Commerce to assemble and interpret, in a consistent manner for all States, current economic data from a variety of public and private sources. Each report contains analyses and data for a number of key economic indicators (see below) for the quarter ending four months prior to the publication date; this quarter is the most recent one for which data are available and is hereafter termed the "current" quarter. Each report highlights percent changes in the key economic indicators between the current quarter and the corresponding quarter one year earlier (hereafter termed the "year-ago" quarter); the use of this timespan eliminates the distorting effects of data fluctuations that recur seasonally. In addition, each report compares percent changes for a State with the corresponding changes for the Nation in order to assess the extent to which the State participates in national economic developments. The use of economic indicators for which the estimation methods are the same for all States facilitates State-to-State comparisons.

Each report sheds light on various aspects of a State's economy, such as the size of consumer and industrial markets, changes in the price level, the number of persons working or looking for work, and the future level of building activity. This information is particularly valuable to persons in government, business, the media, and the academic community who follow economic developments in particular States.

Key economic indicators

Each report focuses on all or most of the following key economic indicators:

1. **Personal income** consists of private and government wage and salary disbursements, other labor income (such as employers' contributions to private social insurance programs), farm and nonfarm proprietors' income, dividends, interest, rents, and transfer payments (such as unemployment insurance benefits), less personal contributions for social insurance. It is measured before the deduction of personal taxes. It is the only key economic indicator adjusted for seasonality; it is not adjusted for price changes. Personal income measures the size of consumer markets and, when presented by industry of origin, can be interpreted as a measure of the size of industrial markets.

2. The **labor force** consists of all civilians classified as employed or unemployed. **Employed persons** comprise (a) those who did any work for pay or profit or worked 15 hours or more per week as unpaid workers in a family enterprise, and (b) those who were not working but who had jobs or businesses from which they were temporarily absent for noneconomic reasons. **Unemployed persons** comprise those who had no jobs, but made specific efforts to find jobs and were available for work.

3. **Commercial bank loans** consist of commercial and industrial loans, loans to individuals, real estate loans, loans to farmers (except for real estate), and other loans (such as loans to other banks). They exclude holdings of government securities. **Commercial bank deposits** consist of demand deposits—which are noninterest-bearing and subject to withdrawal on demand—and time and savings deposits—which are interest-bearing and for which some advance notice may be required before withdrawal. It should be noted that loans and deposits reported by banks in a State may reflect the economic activities of nonresidents as well as residents.

4. **Construction contracts** represent estimated costs of structures contracted for and started, or due to start within 60 days. The total consists of the following types of structures: residential housekeeping (including additions and alterations), residential nonhousekeeping (such as hotels), nonresidential (such as stores and factories), and nonbuilding (such as streets and highways). The total includes subcontracting costs, such as those for roofing. **Dwelling units** started, or due to start are those with built-in facilities for cooking and, where required by climate, for heating. Among the key economic indicators, construction starts data are useful because they indicate future economic activity.

5. **Retail sales** comprise total receipts from customers of establishments primarily engaged in selling goods for personal or household consumption and in rendering services incidental to the sale of the goods. Sales data, which indicate the level of consumer demand, are available for 19 States.

6. The **consumer price index** is a statistical measure of changes in prices for a fixed "market basket" of goods and services bought by a particular population group. In this report, the group consists of urban wage earners and clerical workers. In future reports, it will consist of all urban consumers. The index is available for about two dozen metropolitan areas in the Nation. The index is useful for measuring price changes over time; it cannot be used for making cost-of-living comparisons among areas because of differences among areas in the "market baskets."

7. **Business incorporations** consist of new businesses that incorporate under State laws, businesses that transfer from noncorporate to corporate status, corporations that transfer from one State to another, and corporations that become certified to operate in an additional State. **Business failures** consist of concerns involved in court proceedings or voluntary actions that are likely to end in losses to creditors. Because of differences among States in incorporation and debt assignment laws, care must be taken in making State-to-State comparisons for either indicator.

For a more thorough discussion of the above indicators and their components, contact: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Analysis Division, Washington, D.C. 20230.

Organization of each report

Each report has two main parts.

The State—has three sections:

1. **Highlights.** This section contains a brief discussion and a summary table. The discussion summarizes percent changes in the key economic indicators for the State between the year-ago quarter and the current quarter, and compares these percent changes with the corresponding changes for the Nation. The table shows the underlying data.

2. **Analysis.** This section contains a longer discussion and a bar chart for each of the following indicators and their components: (a) personal income and, if available, consumer prices, (b) labor force, (c) banking, (d) construction, and (e) retail sales (discussion if available). In general, the discussions and bar charts analyze percent changes in the above indicators and their components for the State between the year-ago quarter and the current quarter, and compare these percent changes with the corresponding changes for the Nation.

3. **Data.** This section contains a table and a line chart for each of the following indicators and their components: (a) personal income, (b) labor force, (c) banking, and (d) construction. This section also contains tables for the following: (e) retail sales, (f) consumer prices, and (g) business incorporations and failures. In general, the tables show State and national data for the current quarter and the year-ago quarter, and State data for the quarter preceding the current quarter and the corresponding year-ago quarter. The tables also show State and national percent changes between the year-ago quarter and the current quarter, and between the quarter preceding the year-ago quarter and the quarter preceding the current quarter. The line charts show the movements over time of quarterly State and national data.

The National-Regional Overview—has two sections:

1. **National.** This section contains a brief discussion of national economic developments, mainly for the timespan subsequent to the "current" quarter. The discussion focuses on gross national product, personal income, prices, employment and unemployment, and construction.

2. **Regions and States.** This section—which shows the economic development in any one region or State in the perspective of developments in other regions or States—contains a discussion and a data map of the Nation, divided into regions and States, for several of the key economic indicators. In general, the discussions and maps focus on percent changes in the indicators between the year-ago and the current quarter.

TABLE 1. SUMMARY OF ECONOMIC INDICATORS
UNITED STATES AND OHIO
THROUGH THIRD QUARTER, 1978.

	UNITED STATES		OHIO				PERCENT CHANGE			
	ALL INDICATORS, EXCEPT INCOME, NOT SEASONALLY ADJUSTED						1977-II TO 1978-II		1977-III TO 1978-III	
	1977-III:	1978-III:	1977-II :	1977-III:	1978-II :	1978-III:	U.S.:	STATE:	U.S.:	STATE:
TOTAL PERSONAL INCOME ($ MIL.)	1,532,619	1,718,491	75,028	77,368	82,937	84,660	11.4	10.5	12.1	9.4
TOT. WAGES + SALARIES ($ MIL.)	983,052	1,100,202	50,820	52,463	56,275	57,163	11.7	10.7	11.9	9.0
CIVILIAN EMPLOYMENT (THOUS.)	91,978	95,786	4,480	4,634	4,604	4,756	4.4	2.8	4.1	2.6
UNEMPLOYMENT (THOUS.)	6,712	6,055	298	281	261	267	-13.4	-12.2	-9.8	-5.1
PERCENT UNEMPLOYED (UNEMPLOYMENT/LABOR FORCE)	6.8	5.9	6.2	5.7	5.4	5.3	---	---	---	---
TOTAL LOANS ($ MIL.)	583,750	678,642	21,359	22,274	24,791	25,632	16.3	16.1	16.3	15.1
TOTAL DEPOSITS ($ MIL.)	864,689	963,932	33,446	34,214	36,909	37,535	11.6	10.4	11.5	9.7
TOTAL VALUATION OF CONSTRUCTION CONTRACTS ($ THOUS.)	47,540,528	54,343,288	4,215,112	2,008,808	2,234,313	2,237,903	1.3	-47.0	14.3	11.4
DWELLING UNITS STARTED (NO.)	516,046	518,088	22,255	23,679	24,267	20,996	14.4	9.0	.4	-11.3
TOTAL RETAIL SALES ($ MIL.)	178,878	197,273	9,013	8,881	9,940	9,882	10.5	10.3	10.3	11.3
CONSUMER PRICE INDEX(1967=100)										
U.S. CITY AVERAGE	183.3	197.8	---	---	---	---	7.0	---	7.9	---
CINCINNATI	---	---	182.3	185.2	197.4	202.3	---	8.3	---	9.2
CLEVELAND	---	---	179.9	181.1	191.3	196.0	---	6.3	---	8.2
NEW BUSINESS INCORP. (NO.)	111,242	N.A.	3,680	3,562	4,033	N.A.	12.1	9.6	---	---
BUSINESS FAILURES (NO.)	1,760	N.A.	49	52	84	N.A.	-25.0	71.4	---	---

N.A. DATA NOT AVAILABLE.
SOURCE: SEE TABLES 2 THROUGH 8.

OHIO

Highlights

	1977:III to 1978:III
Personal income	—Up 9.4%, 2.7 percentage points less than in U.S. —Payroll increase in nearly every major industry less in State than in U.S.
Consumer prices	—Up 9.2% in Cincinnati and 8.2% in Cleveland vs. 7.9% in U.S.
Employment	—Up 2.6%, 1.5 percentage points less than in U.S., to nearly 4.8 million
Unemployment	—Rate down 0.4 percentage point to 5.3% of labor force vs. 5.9% nationally —Nearly 270,000 persons seeking work in 1978:III
Commercial banking	—Total loans up 15.1% vs. 16.3% in U.S. —Real estate loans especially weak —Total deposits up 9.7% vs. 11.5% in U.S.
Construction	—Total valuation of contracts up 11.4% vs. 14.3% in U.S., to $2.2 billion —Strength in nonbuilding and nonresidential construction —Number of dwelling units started down more than 11.0% vs. near stability in U.S., to less than 21,000
Retail sales	—Up 11.3% vs. 10.3% in U.S., to $9.9 billion

Chart 1
Personal Income
Percent Change, 1977:III – 1978:III
[Seasonally adjusted]

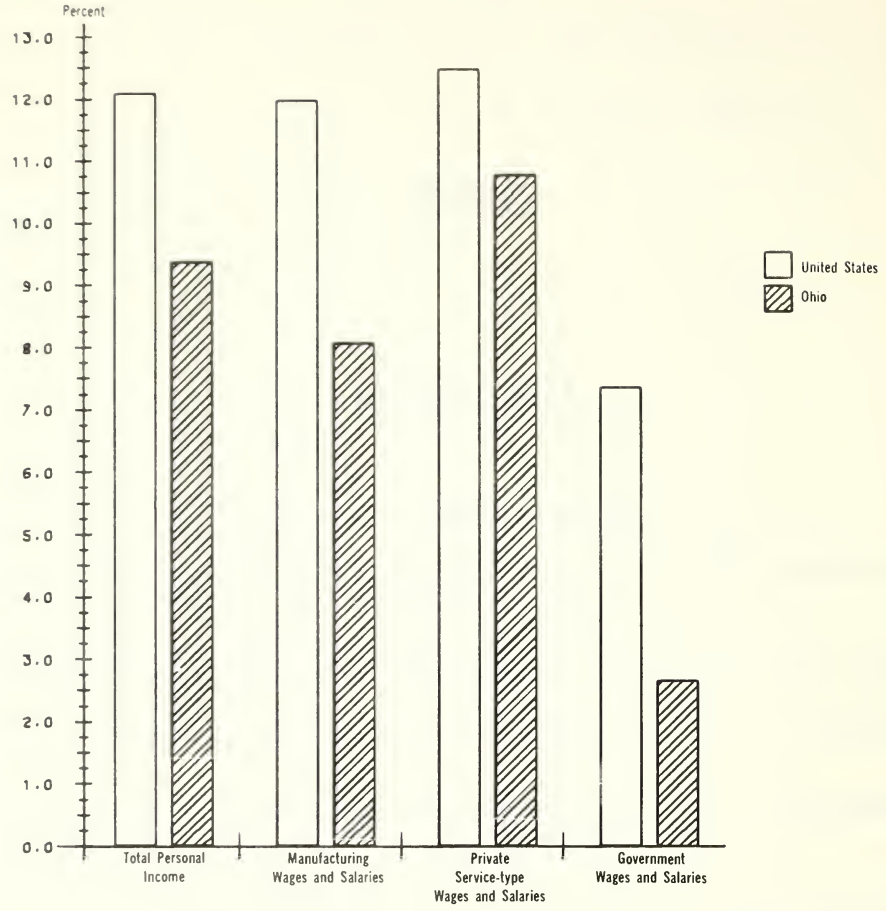
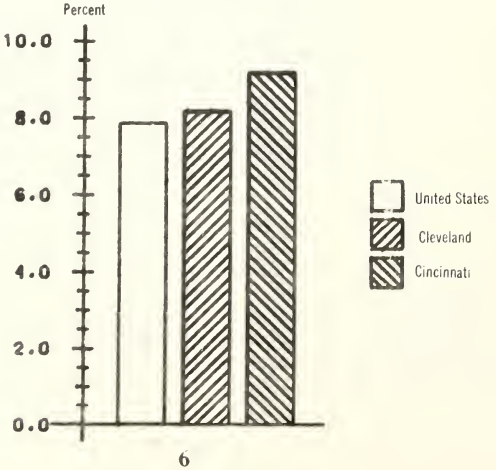


Chart 2
Consumer Price Index
Percent Change, 1977:III – 1978:III



Analysis

Personal Income

Total personal income (seasonally adjusted at annual rates) increased 9.4 percent from 1977:III to 1978:III, 2.7 percentage points less than nationally (table 2). Only four States grew more slowly than Ohio: Alaska, Michigan, New York, and Delaware. In 1978:III, Ohio's personal income totaled $84.7 billion, up 7.3 billion since 1977:III.

The **consumer price index** for the Cincinnati metropolitan area rose 9.2 percent and for the Cleveland area it rose 8.2 percent, compared with a national increase of 7.9 percent (table 7). If an average of the two metropolitan area increases is used as an indicator for price movements in Ohio, real total personal income in the State increased only 0.7 percent versus a national increase of 4.2 percent.

Wage and salary disbursements (payrolls) increased 9.0 percent in Ohio from 1977:III to 1978:III, nearly 3 percentage points less than nationally. Only six States registered increases smaller than Ohio's. The increase in every major private and public industry in Ohio was below the increase in the corresponding national industry. The increase in construction payrolls in the State was 15.5 percent, 3.4 percentage points less than in the Nation. Durable goods manufacturing payrolls increased 8.0 percent versus a U.S. increase of 13.6 percent. This lag was particularly important, because durables payrolls accounted for nearly 20 percent of Ohio's total personal income in 1978:III versus a national weight of less than 12 percent. The State's increase in nondurable goods manufacturing payrolls lagged the national increase by only 1 percentage point. Private service-type payrolls increased 10.8 percent in the State and 12.5 percent in the Nation. The increase in each of the four private service-type components was smaller in Ohio than in the Nation; the largest lag was registered in the transportation-communication-public utilities component, where payrolls increased only 3.5 percent in the State versus 9.4 percent nationally. Government payrolls were up only 2.7 percent in the State and 7.4 percent nationally. Increases in Ohio in both State and local government payrolls and Federal Government payrolls were well below corresponding national increases.

From 1977:III to 1978:III, State unemployment insurance benefits declined 30 percent in Ohio and about 25 percent in the Nation.

Chart 3
Labor Force, Employment,
and Unemployment, 1978:III
Ohio

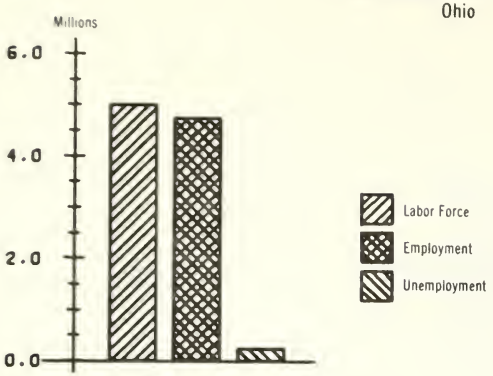


Chart 4
Unemployment Rates, 1977:III – 1978:III

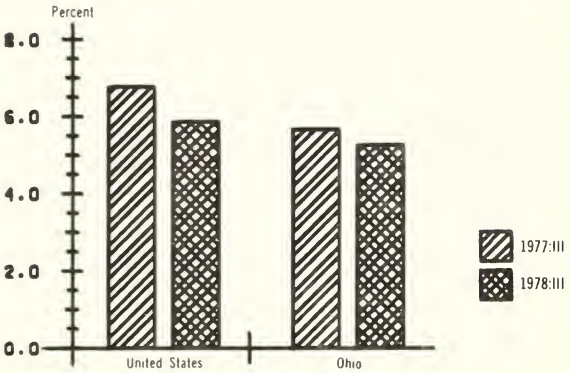
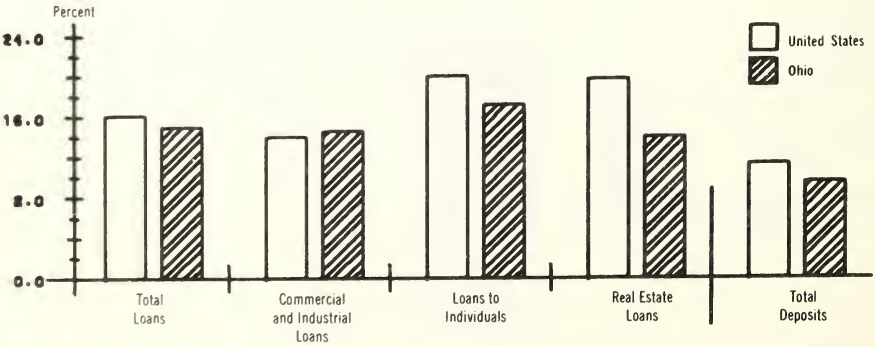


Chart 5
Commercial Banking Indicators
Value of Loans and Deposits
Percent Change, 1977:III – 1978:III



Labor Force

From 1977:III to 1978:III, the **civilian labor force** in the State grew only 2.2 percent, 1 percentage point less than in the Nation (table 3). In 1978:III, 5 million persons were either working or seeking work in Ohio. **Total employment** in the State increased 2.6 percent, versus a 4.1-percent gain in the Nation, to nearly 4.8 million. Thirty-four States had larger advances.

With the civilian labor force increasing more than 105,000 and employment increasing more than 120,000, the number of **unemployed** declined nearly 15,000. The State's **unemployment rate** declined 0.4 percentage point, less than one-half the decline in the Nation. Thirty-three States had larger declines than Ohio. In 1978:III, Ohio's unemployment rate was 5.3 percent, well below the national average of 5.9 percent.

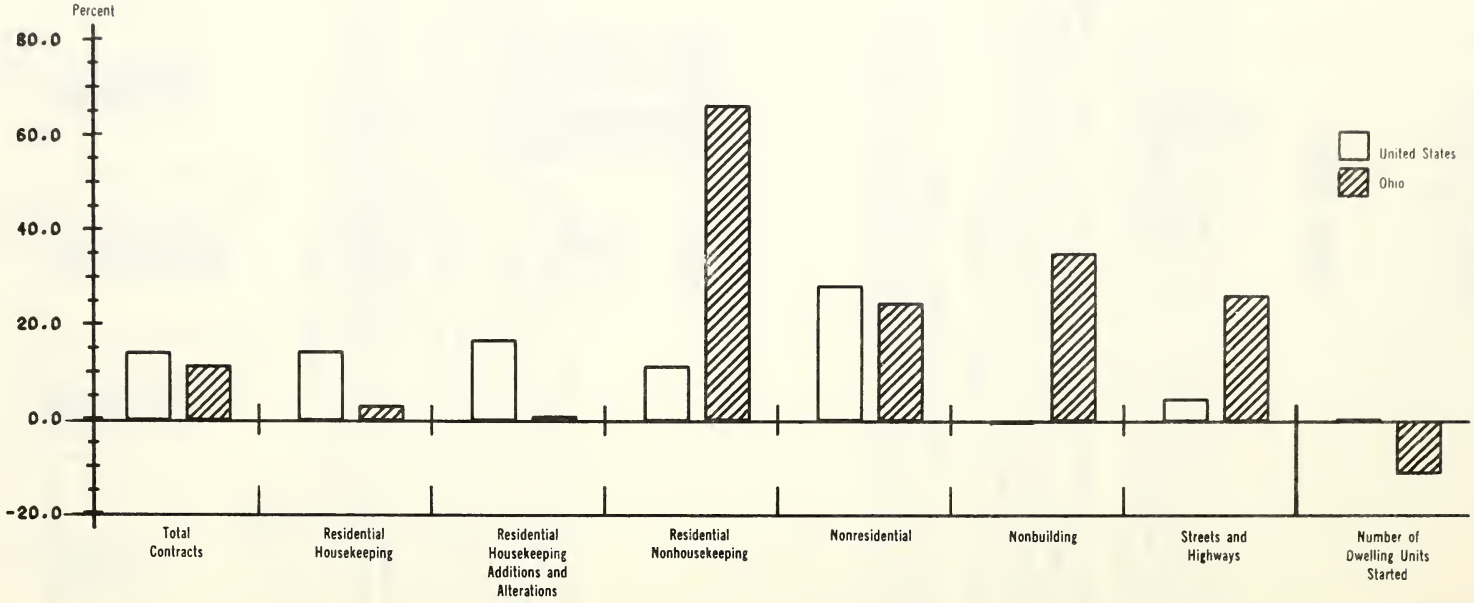
In September 1978, Ohio's preliminary unemployment rate was 5.4 percent, 0.7 percentage point below the year-ago rate. Unemployment rates in the State's major metropolitan areas ranged from 6.5 percent in Youngstown-Warren to 4.6 percent in Dayton.

Commercial Banking

Total loans in Ohio increased 15.1 percent from 1977:III to 1978:III versus a U.S. increase of 16.3 percent. Loans in Ohio in 1978:III totaled $25.6 billion, up $3.4 billion since 1977:III (table 4). Loans to individuals increased 17.3 percent, 3 percentage points less than nationally. Real estate loans increased 14.2 percent, nearly 6 percentage points less than nationally; only nine States registered smaller increases. Commercial and industrial loans, in contrast, increased 14.8 percent in the State, leading the national increase by 0.6 percentage point.

Total deposits increased 9.7 percent in Ohio and 11.5 percent nationally. The increase in Ohio in demand deposits—8.9 percent—lagged the national average by more than 1 percentage point, and the increase in time and savings deposits—10.1 percent—lagged the national average by more than 2 percentage points.

Chart 6
Construction Contracts:
Valuation of Contracts and Number
of Dwelling Units Started:
Percent Change, 1977:III – 1978:III



Construction

From 1977:III to 1978:III, the total valuation of construction contracts increased 11.4 percent, lagging the national average by 3 percentage points (table 5). Weakness in the residential housekeeping market was nearly offset by strength in nonbuilding and nonresidential construction.

Construction costs nationwide rose about 8 percent; if this gain is representative of cost changes in Ohio, then the real valuation of construction contracts increased more than 3 percent in the State. In 1978:III, the total valuation of construction contracts was $2.2 billion, up $0.2 billion over the year.

The valuation of contracts for additions and alterations to residential housekeeping units—the State's second largest contract category in dollar terms—rose only fractionally versus a gain of nearly 17 percent nationwide. The valuation of contracts for new residential housekeeping units—the largest contract category in the State—rose less than 3 percent versus a 14.4-percent gain in the Nation. The number of new dwelling units started declined more than 11 percent in the State versus near stability in the Nation. In 1978:III, the number of new dwellings started in Ohio totaled somewhat less than 21,000, representing a decline over the year of nearly 2,700 units. Only six States registered sharper declines.

The valuation of nonbuilding contracts increased 35 percent in valuation in Ohio versus near stability in the Nation. The valuation of the street and highway component of nonbuilding contracts increased 26 percent versus less than 5 percent nationally.

Contracts for nonresidential buildings rose nearly 25 percent in valuation in the State, a gain that lagged the national average by less than 4 percentage points.

Retail Sales

Retail sales in Ohio totaled $9.9 billion in 1978:III, up 11.3 percent ($1.0 billion) since 1977:III (table 6). Nationally, retail sales rose 10.3 percent from year to year. Nondurable goods sales totaled $6.8 billion in the State, and durable goods sales, $3.1 billion.

Chart 7
Total Personal Income
[Seasonally adjusted]

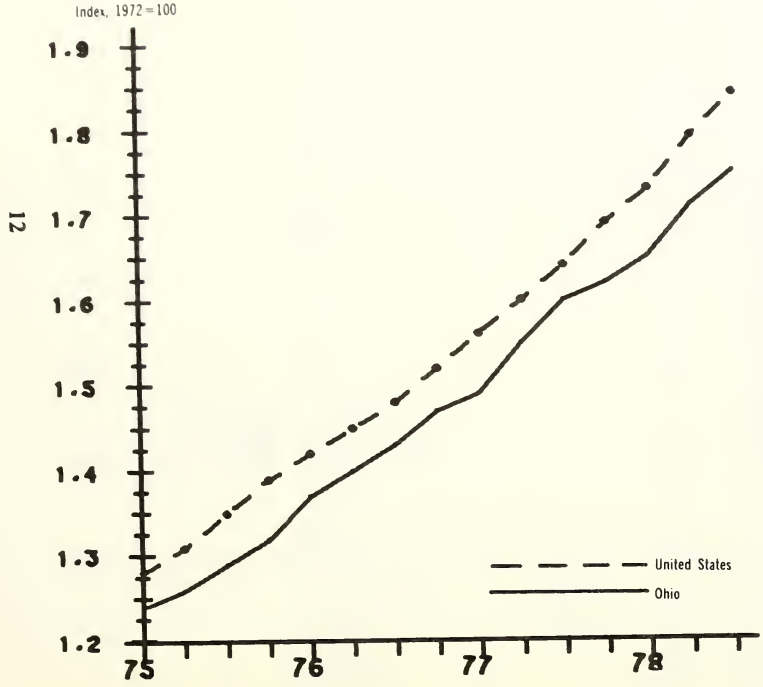


Chart 8
Industrial Composition of
Wages and Salaries
Ohio
[Seasonally adjusted]

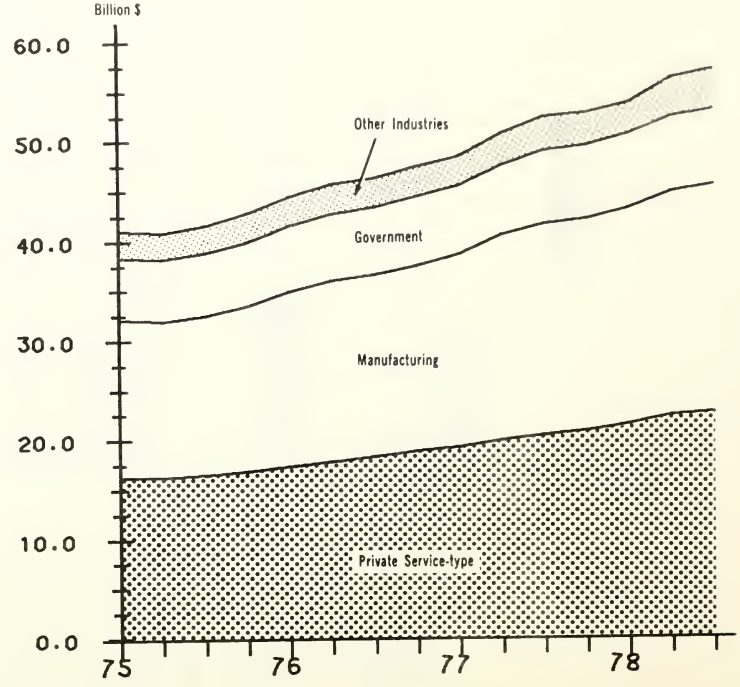


TABLE 2. PERSONAL INCOME
UNITED STATES AND OHIO
THROUGH THIRD QUARTER, 1978.

	UNITED STATES		OHIO				PERCENT CHANGE(1)			
	MILLIONS OF DOLLARS(2) (SEASONALLY ADJUSTED AT ANNUAL RATES)						1977-II TO 1978-II		1977-III TO 1978-III	
	1977-III	1978-III	1977-II	1977-III	1978-II	1978-III	U.S.	STATE	U.S.	STATE
TOTAL PERSONAL INCOME	1,532,619	1,718,491	75,028	77,368	82,937	84,660	11.4	10.5	12.1	9.4
FARM PERSONAL INCOME	23,068	31,651	892	624	854	782	15.4	-4.2	37.2	25.3
NONFARM PERSONAL INCOME	1,509,551	1,686,840	74,136	76,743	82,083	83,878	11.4	10.7	11.7	9.3
TOTAL PERSONAL INCOME	1,532,619	1,718,491	75,028	77,368	82,937	84,660	11.4	10.5	12.1	9.4
WAGE AND SALARY DISBURSEMENTS	983,052	1,100,202	50,820	52,463	56,275	57,163	11.7	10.7	11.9	9.0
OTHER LABOR INCOME	92,192	107,853	5,063	5,327	5,852	6,003	17.5	15.6	17.0	12.7
PROPRIETORS' INCOME	96,732	114,967	4,172	4,031	4,499	4,521	12.5	7.8	18.9	12.2
FARM	15,684	23,624	706	445	669	590	18.3	-5.3	50.6	32.8
NONFARM	81,048	91,343	3,466	3,586	3,830	3,930	11.1	10.5	12.7	9.6
DIVIDENDS, INTEREST, AND RENT	210,120	235,289	9,037	9,299	9,976	10,241	11.0	10.4	12.0	10.1
TRANSFER PAYMENTS	211,924	230,660	9,342	9,757	10,155	10,603	8.2	8.7	8.8	8.7
STATE UNEMPL. INS. BENEFITS	11,016	8,234	347	395	282	279	-30.2	-18.7	-25.3	-29.5
LESS:PERSONAL CONTRIBUTIONS	61,016	70,032	2,994	3,065	3,377	3,419	14.3	12.8	14.8	11.6
PLUS:RESIDENCE ADJUSTMENT	-385	-448	-413	-445	-443	-452	---	---	---	---
WAGE AND SALARY DISBURSEMENTS	983,052	1,100,202	50,820	52,463	56,275	57,163	11.7	10.7	11.9	9.0
FARM	6,988	7,572	181	175	181	187	7.6	-.1	8.4	6.4
NONFARM	976,064	1,092,630	50,639	52,288	56,095	56,976	11.8	10.8	11.9	9.0
MINING	14,244	18,083	449	529	628	667	21.0	39.8	27.0	26.2
CONTRACT CONSTRUCTION	54,680	65,019	2,460	2,635	2,959	3,042	16.7	20.3	18.9	15.5
MANUFACTURING	267,748	299,965	20,610	21,120	22,477	22,830	11.9	9.1	12.0	8.1
DURABLE GOODS	169,628	192,717	15,030	15,523	16,333	16,765	13.3	8.7	13.6	8.0
NONDURABLE GOODS	98,120	107,248	5,580	5,597	6,144	6,065	9.4	10.1	9.3	8.3
PRIVATE SERVICE-TYPE	441,024	496,133	19,994	20,549	22,440	22,767	12.4	12.2	12.5	10.8
TRANS.,COMMUN., + PUB. UT.	73,672	80,619	3,601	3,629	3,889	3,756	10.4	8.0	9.4	3.5
WHOLESALE + RETAIL TRADE	166,108	188,346	8,089	8,328	9,085	9,341	12.4	12.3	13.4	12.2
FINANCE, INS., + REAL EST.	52,460	59,834	1,932	1,994	2,217	2,282	14.2	14.7	14.1	14.4
SERVICES	148,784	167,334	6,372	6,598	7,249	7,388	12.8	13.8	12.5	12.0
GOVERNMENT	195,256	209,743	7,042	7,370	7,492	7,569	8.1	6.4	7.4	2.7
FEDERAL	64,892	69,595	1,768	1,862	1,879	1,893	7.3	6.3	7.2	1.7
STATE AND LOCAL	130,364	140,148	5,274	5,508	5,613	5,676	8.4	6.4	7.5	3.1
OTHER	3,112	3,687	84	86	100	101	17.7	18.9	18.5	18.2

1 BASED ON UNROUNDED DATA.
2 DETAIL MAY NOT ADD TO TOTALS BECAUSE OF ROUNDING.
SOURCE: U.S. DEPARTMENT OF COMMERCE, BUREAU OF ECONOMIC ANALYSIS, REGIONAL ECONOMIC MEASUREMENT DIVISION.

Chart 9
Civilian Labor Force,
Employment, and Unemployment Rate

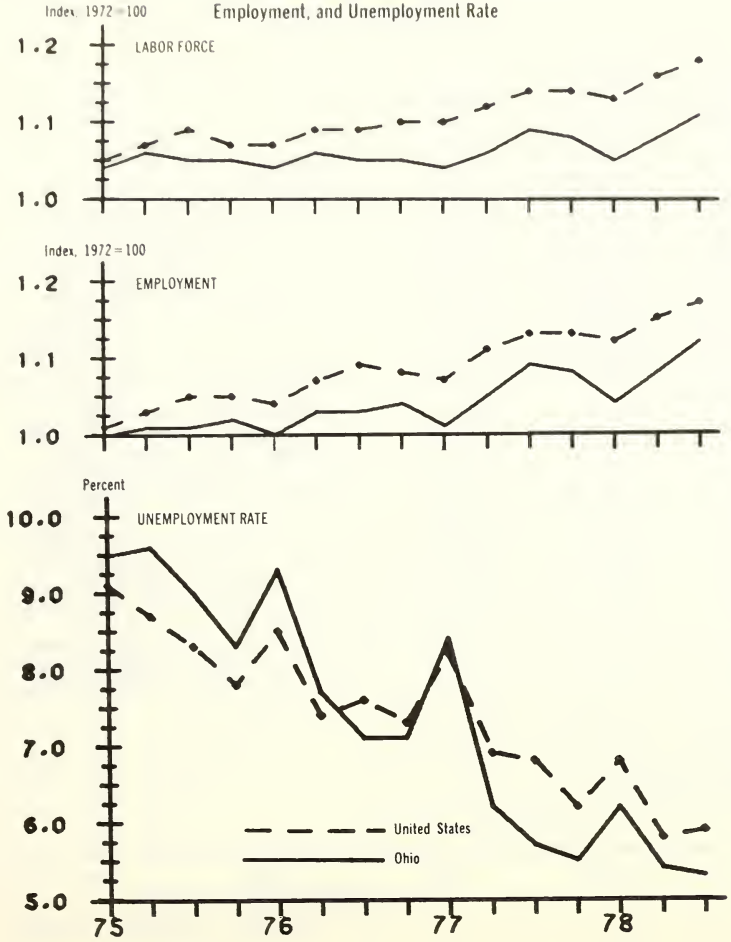


Chart 10
Industrial Composition of
Nonagricultural Employment
Ohio

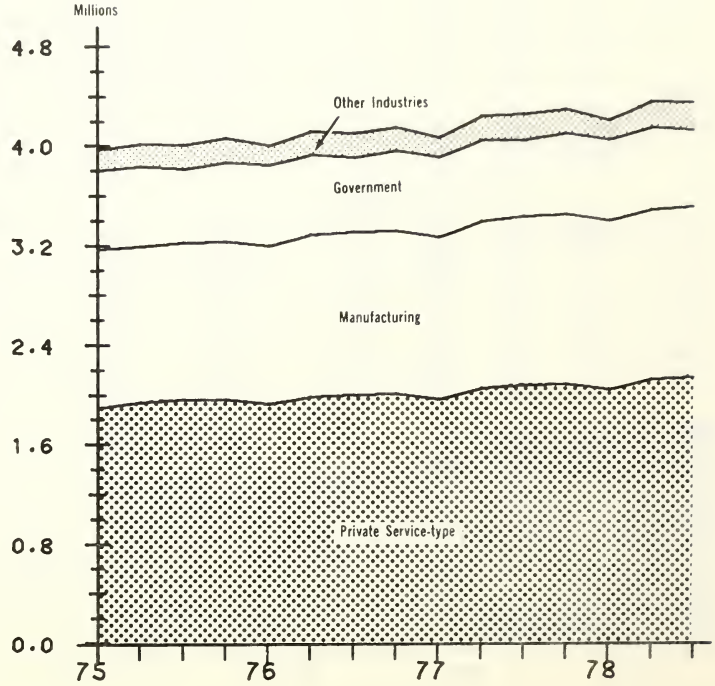


TABLE 3. LABOR FORCE
UNITED STATES AND OHIO
THROUGH THIRD QUARTER, 1978.

	UNITED STATES		OHIO				PERCENT CHANGE(1)			
	THOUSANDS OF PERSONS(2) (NOT SEASONALLY ADJUSTED)						1977-II TO 1978-II		1977-III TO 1978-III	
	1977-III	1978-III	1977-II	1977-III	1978-II	1978-III	U.S.	STATE	U.S.	STATE
EMPLOYEES ON NONAGR. PAYROLLS	82,725	86,233	4,240	4,261	4,359	4,353	4.4	2.8	4.2	2.2
MINING	831	898	29	31	30	31	6.5	4.8	8.1	2.0
CONTRACT CONSTRUCTION	4,164	4,588	164	180	176	193	11.2	7.1	10.2	7.2
MANUFACTURING	19,830	20,446	1,343	1,356	1,363	1,370	3.6	1.5	3.1	1.0
TRANS., COMM., + PUB. UT.	4,701	4,876	220	220	225	223	2.9	2.2	3.7	1.3
WHOLESALE + RETAIL TRADE	18,555	19,529	921	930	947	959	4.2	2.9	5.2	3.1
FINANCE, INS., + REAL EST.	4,523	4,744	183	188	191	194	5.2	4.1	4.9	3.5
SERVICES	15,494	16,194	734	743	766	772	5.1	4.4	4.5	4.0
GOVERNMENT	14,627	14,958	646	614	661	611	3.7	2.2	2.3	-.6
CIVILIAN LABOR FORCE(3)	98,690	101,841	4,778	4,916	4,865	5,023	3.2	1.8	3.2	2.2
TOTAL EMPLOYED	91,978	95,786	4,480	4,634	4,604	4,756	4.4	2.8	4.1	2.6
TOTAL UNEMPLOYED	6,712	6,055	298	281	261	267	-13.4	-12.2	-9.8	-5.1
PERCENT UNEMPLOYED	6.8	5.9	6.2	5.7	5.4	5.3	---	---	---	---

1 BASED ON UNROUNDED DATA.
2 DETAIL MAY NOT ADD TO TOTALS BECAUSE OF ROUNDING.
3 BEGINNING JANUARY 1978, THESE DATA ARE BEING ESTIMATED BY NEW METHODS, USING MORE CURRENT DATA. THIS CREATES A BREAK IN THE SERIES, AND USERS ARE ADVISED TO EXERCISE CAUTION WHEN MAKING COMPARISONS OVER TIME.
SOURCE: U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS.

Chart 11
Commercial Banking Indicators:
Value of Loans

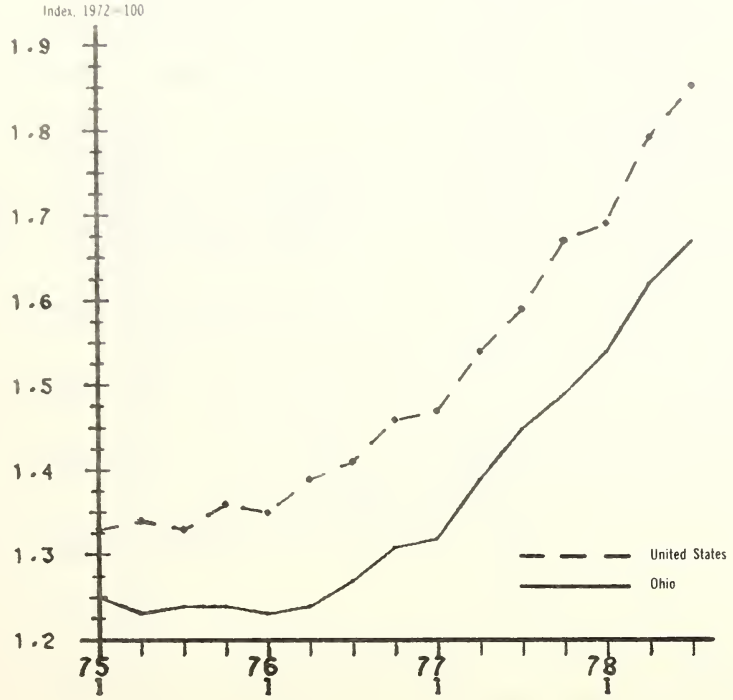


Chart 12
Commercial Banking Indicators:
Value of Deposits

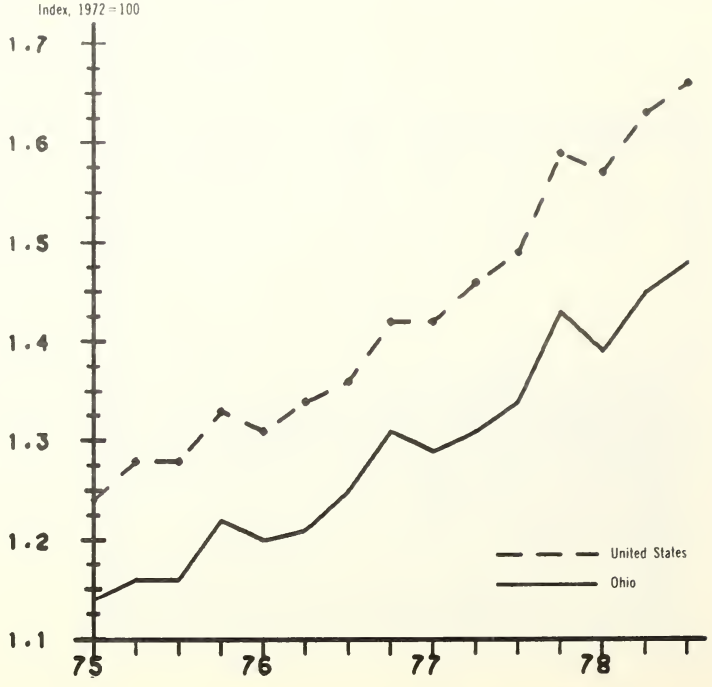


TABLE 4. COMMERCIAL BANKING INDICATORS
UNITED STATES AND OHIO
THROUGH THIRD QUARTER, 1978.

	UNITED STATES		OHIO				PERCENT CHANGE(1)			
	MILLIONS OF DOLLARS(2) (NOT SEASONALLY ADJUSTED)						1977-II TO 1978-II		1977-III TO 1978-III	
	1977-III	1978-III	1977-II	1977-III	1978-II	1978-III	U.S.	STATE	U.S.	STATE
TOTAL LOANS	583,750	678,642	21,359	22,274	24,791	25,632	16.3	16.1	16.3	15.1
COMMERCIAL + INDUSTRIAL	187,539	214,206	5,611	5,756	6,631	6,609	14.9	18.2	14.2	14.8
LOANS TO INDIVIDUALS	134,752	162,035	6,601	6,989	7,762	8,196	20.3	17.6	20.2	17.3
REAL ESTATE	170,264	204,214	7,488	7,849	8,582	8,959	19.4	14.6	19.9	14.2
RESIDENTIAL	97,026	117,692	4,643	4,883	5,363	5,643	20.6	15.5	21.3	15.5
FARMS	7,607	8,418	408	423	452	451	11.6	10.9	10.7	6.7
OTHER	65,631	78,104	2,437	2,542	2,767	2,865	18.5	13.5	19.0	12.7
FARMS EXCL. REAL ESTATE	26,271	28,053	407	426	438	455	5.4	7.5	6.8	6.9
OTHER	64,924	70,134	1,253	1,255	1,378	1,412	8.5	10.0	8.0	12.5
TOTAL DEPOSITS	864,689	963,932	33,446	34,214	36,909	37,535	11.6	10.4	11.5	9.7
DEMAND	335,502	369,844	11,291	11,549	12,532	12,576	10.7	11.0	10.2	8.9
TIME + SAVINGS	529,188	594,088	22,155	22,665	24,377	24,959	12.2	10.0	12.3	10.1

1 BASED ON UNROUNDED DATA.
2 DETAIL MAY NOT ADD TO TOTALS BECAUSE OF ROUNDING.
SOURCE: U.S. FEDERAL DEPOSIT INSURANCE CORPORATION.

Chart 13
Construction Contracts—
Total Valuation of Contracts

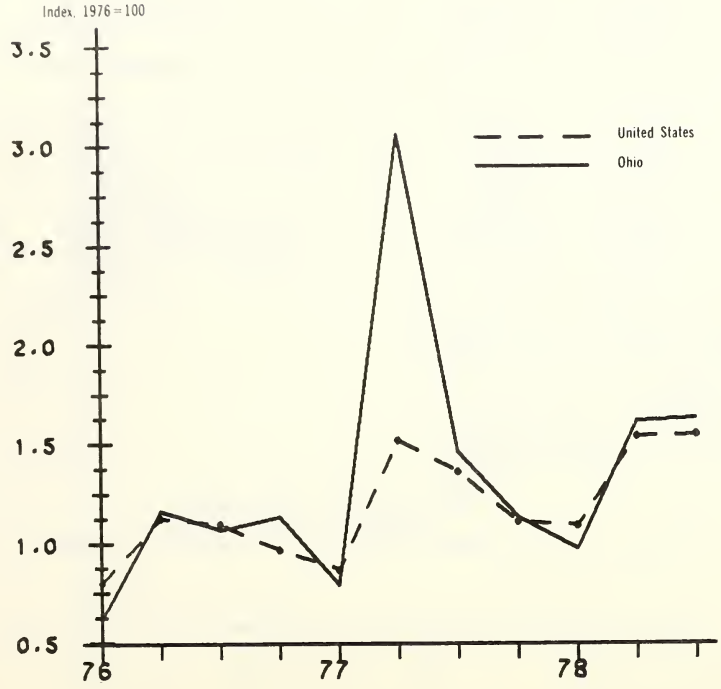


Chart 14
Construction Contracts—Valuation of
Contracts by Type
Ohio

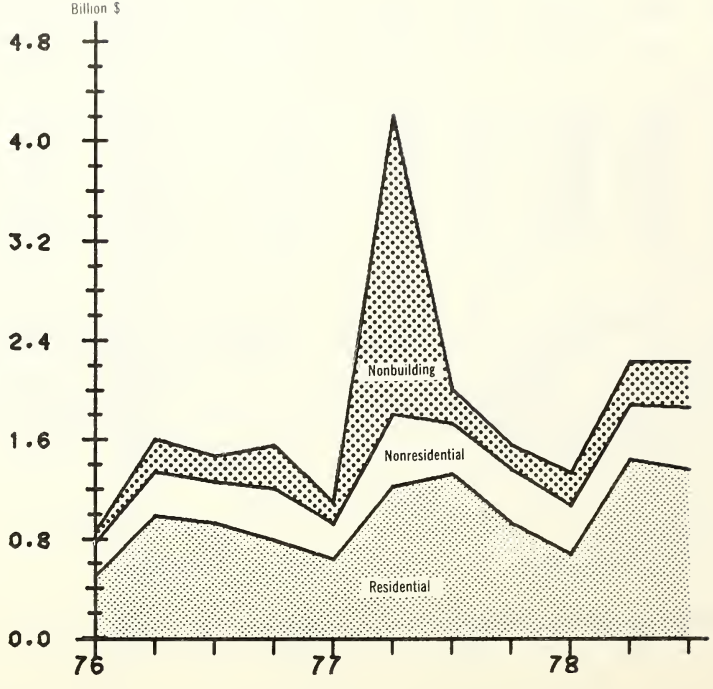


TABLE 5. CONSTRUCTION CONTRACTS(1)
UNITED STATES AND OHIO
THROUGH THIRD QUARTER, 1978.

	UNITED STATES		OHIO			PERCENT CHANGE(2)			
	NOT SEASONALLY ADJUSTED					1977-II TO 1978-II		1977-III TO 1978-III	
	1977-III:	1978-III:	1977-II :	1977-III:	1978-II :	1978-III:	U.S.:	STATE:	U.S.:	STATE:
TOTAL VALUATION OF CONTRACTS										
VAL. ($ THOUS.)	47,540,528	54,343,288	4,215,112	2,008,808	2,234,313	2,237,903	1.3	-47.0	14.3	11.4
RES. HSEKPING. ADD. + ALT.										
VAL. ($ THOUS.)	8,754,665	10,221,397	420,815	508,474	497,409	511,867	7.3	18.2	16.8	.7
ALL OTHER CONTRACTS										
NO. OF CONTRACTS	66,341	69,253	3,818	4,089	3,700	4,057	10.0	-3.1	4.4	-.8
VAL. ($ THOUS.)	38,785,863	44,121,891	3,794,297	1,500,334	1,736,904	1,726,036	.2	-54.2	13.8	15.0
FLOOR AREA(THOUS. SQ. FT.)	989,915	1,093,273	48,375	45,560	49,541	47,056	23.8	2.4	10.4	3.3
RESIDENTIAL HOUSEKEEPING										
NO. OF CONTRACTS	15,229	14,447	560	637	607	557	1.7	8.4	-5.1	-12.6
NO. OF DWELLING UNITS	516,046	518,088	22,255	23,679	24,267	20,996	14.4	9.0	.4	-11.3
VAL. ($ THOUS.)	17,066,413	19,516,741	801,982	815,070	941,109	838,626	28.0	17.3	14.4	2.9
FLOOR AREA(THOUS. SQ. FT.)	668,371	731,169	29,795	30,227	33,724	29,983	22.3	13.2	9.4	-.8
RESIDENTIAL NONHOUSEKEEPING										
NO. OF CONTRACTS	548	493	26	28	17	20	-3.7	-34.6	-10.0	-28.6
VAL. ($ THOUS.)	459,398	512,050	6,289	9,077	5,751	15,083	59.3	-8.6	11.5	66.2
FLOOR AREA(THOUS. SQ. FT.)	12,445	12,762	196	284	164	410	14.6	-16.2	2.5	44.4
NONRESIDENTIAL										
NO. OF CONTRACTS	30,452	29,689	2,016	2,141	1,927	1,893	10.8	-4.4	-2.5	-11.6
VAL. ($ THOUS.)	10,190,032	13,079,406	581,459	403,102	444,911	503,041	34.6	-23.5	28.4	24.8
FLOOR AREA(THOUS. SQ. FT.)	309,099	349,342	18,384	15,050	15,654	16,663	27.7	-14.9	13.0	10.7
NONBUILDING										
NO. OF CONTRACTS	20,112	24,624	1,216	1,283	1,149	1,587	15.5	-5.5	22.4	23.7
VAL. ($ THOUS.)	11,070,020	11,013,694	2,404,567	273,085	345,133	369,286	-42.3	-85.6	-.5	35.2
STREETS + HIGHWAYS										
NO. OF CONTRACTS	7,958	8,695	554	636	507	725	14.4	-8.5	9.3	14.0
VAL. ($ THOUS.)	2,547,323	2,664,917	121,798	98,388	118,192	124,395	28.9	-3.0	4.6	26.4

1 CONTRACTS STARTED OR EXPECTED TO START WITHIN 60 DAYS.
2 PERCENT CHANGES FOR FLOOR AREA BASED ON UNROUNDED DATA.
NOTE: DETAIL FOR FLOOR AREA DATA MAY NOT ADD TO TOTALS BECAUSE OF ROUNDING.
SOURCE: F.W. DODGE DIVISION, MCGRAW-HILL INFORMATION SYSTEMS COMPANY.

TABLE 6. RETAIL SALES
UNITED STATES AND OHIO
THROUGH THIRD QUARTER, 1978.

	UNITED STATES		OHIO				PERCENT CHANGE			
	MILLIONS OF DOLLARS (NOT SEASONALLY ADJUSTED)						1977-II TO 1978-II		1977-III TO 1978-III	
	1977-III	1978-III	1977-II	1977-III	1978-II	1978-III	U.S.	STATE	U.S.	STATE
RETAIL SALES	178,878	197,273	9,013	8,881	9,940	9,882	10.5	10.3	10.3	11.3
DURABLE GOODS	61,286	68,410	N.A.	N.A.	3,418	3,081	12.0	---	11.6	---
NONDURABLE GOODS	117,592	128,863	N.A.	N.A.	6,522	6,801	9.7	---	9.6	---

N.A. DATA NOT AVAILABLE.
SOURCE: U.S. DEPARTMENT OF COMMERCE, BUREAU OF CENSUS.

TABLE 7. CONSUMER PRICE INDEX(1)
UNITED STATES AND OHIO
THROUGH THIRD QUARTER, 1978.

	UNITED STATES		OHIO				PERCENT CHANGE			
	INDEX, 1967=100 (NOT SEASONALLY ADJUSTED)						1977-II TO 1978-II		1977-III TO 1978-III	
	1977-III	1978-III	1977-II	1977-III	1978-II	1978-III	U.S.	STATE	U.S.	STATE
U.S. CITY AVERAGE(2)	183.3	197.8	---	---	---	---	7.0	---	7.9	---
CINCINNATI	---	---	182.3	185.2	197.4	202.3	---	8.3	---	9.2
CLEVELAND	---	---	179.9	181.1	191.3	196.0	---	6.3	---	8.2

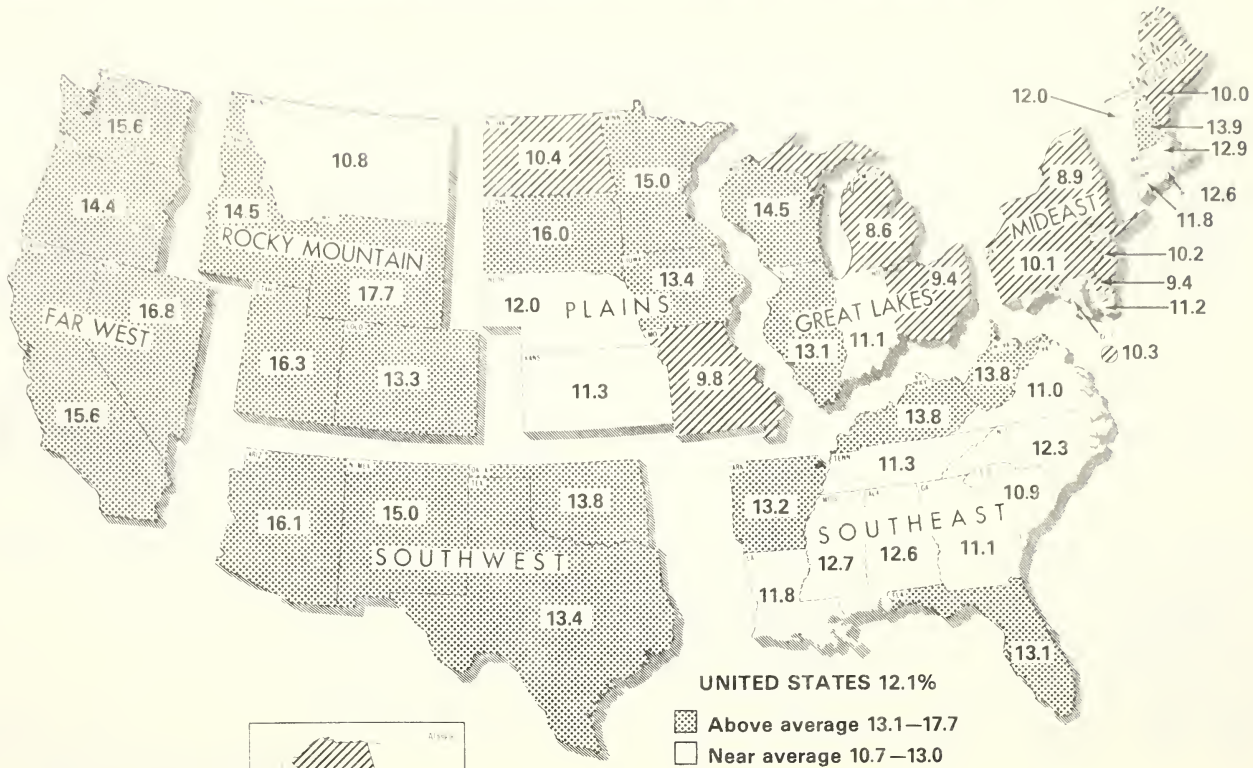
1 CONSUMER PRICE INDEXES ARE SHOWN FOR THE MOST RELEVANT SMSA(S) FOR WHICH DATA ARE AVAILABLE.
2 AVERAGE FOR 85 REPRESENTATIVE URBAN AREAS BASED ON THE 1970 CENSUS OF POPULATION.
NOTE: UNREVISED DATA ARE USED FOR THE QUARTERS PRIOR TO JANUARY 1978, AND REVISED DATA ARE USED FOR THE SUBSEQUENT QUARTERS. USERS ARE ADVISED TO EXERCISE CAUTION WHEN MAKING COMPARISONS OVER TIME.
SOURCE: U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS.

TABLE 8. BUSINESS INCORPORATIONS AND FAILURES
UNITED STATES AND OHIO
THROUGH THIRD QUARTER, 1978.

	UNITED STATES		OHIO				PERCENT CHANGE			
	NOT SEASONALLY ADJUSTED						1977-II TO 1978-II		1977-III TO 1978-III	
	1977-III	1978-III	1977-II	1977-III	1978-II	1978-III	U.S.	STATE	U.S.	STATE
NEW BUSINESS INCORPORATIONS	111,242	N.A.	3,680	3,562	4,033	N.A.	12.1	9.6	---	---
TOTAL NO. OF BUSINESS FAILURES	1,760	N.A.	49	52	84	N.A.	-25.0	71.4	---	---
CURRENT LIABILITIES($ THOUS.)	1,013,071	N.A.	5,910	9,769	10,338	N.A.	-45.1	74.9	---	---
AV. LIABILITY PER FAILURE ($ THOUS.)	576	N.A.	121	188	123	N.A.	-26.8	1.7	---	---
BUSINESS FAILURES BY INDUSTRY										
MINING + MANUFACTURING	268	N.A.	5	6	6	N.A.	-22.7	20.0	---	---
CONTRACT CONSTRUCTION	314	N.A.	11	7	19	N.A.	-25.5	72.7	---	---
WHOLESALE TRADE	218	N.A.	4	6	11	N.A.	-18.3	175.0	---	---
RETAIL TRADE	735	N.A.	20	26	41	N.A.	-25.9	105.0	---	---
COMMERCIAL SERVICES	225	N.A.	9	7	7	N.A.	-28.8	-22.2	---	---

N.A. DATA NOT AVAILABLE.
SOURCE: DUN + BRADSTREET, INC.
NOTE: THE BUSINESS FAILURES BY INDUSTRY SERIES IS NOT STRICTLY COMPARABLE TO THE TOTAL BUSINESS FAILURES SERIES.
THIS TABLE MAY NOT BE REPRODUCED WITHOUT THE PERMISSION OF DUN + BRADSTREET, INC.

Map 1 Total Personal Income: Percent Change, 1977: III – 1978: III



U.S. Department of Commerce, Bureau of Economic Analysis

NATIONAL-REGIONAL OVERVIEW

Nation

In 1978:III, **gross national product** (GNP) adjusted for price changes, that is, real output, increased 2.6 percent, according to revised estimates released December 20, 1978. This increase compared with an increase of 8.7 percent in 1978:II and a decrease of 0.1 percent in 1978:I. (These estimates are at seasonally adjusted annual rates.) The changes in output this year have been affected by the coal strike and the severe weather of last winter. In 1978:I, these factors depressed output; in 1978:II, a large rebound added to output; in 1978:III, there was an additional but smaller rebound. If the strike and weather effects are set aside, real output probably would have increased about 3.5 percent in each of the quarters. Real output increased about 6 percent in 1978:IV—substantially more than in 1978:III—mainly due to the swing in motor vehicle production from a sharp decline to a sharp increase.

In 1978:IV, **personal income** increased 3.2 percent, somewhat more than in 1978:III (seasonally adjusted, not at annual rates). Wage and salary disbursements increased more rapidly in 1978:IV than in 1978:III. In private wages and salaries, most of the acceleration was in manufacturing, where it centered in durable goods. Wages and salaries in private service-type industries also increased more than in 1978:III. In contrast, wages and salaries in construction increased less. In government, the Federal pay raise added substantially to payrolls in 1978:IV.

Farm proprietors' income accelerated, mainly due to deficiency payments to farmers under the target price provisions of the Food and Agriculture Act of 1977. Nonfarm proprietors' income decelerated, reflecting California's Proposition 13, which in 1978:III had led to a reduction in property tax liabilities. Transfer payments also decelerated; the increase in 1978:III had included a social security cost-of-living benefit increase.

If the effects of the Federal pay raise, Federal payments to farmers, Proposition 13, and the social security benefit increase are excluded, personal income so adjusted would have increased substantially more rapidly in 1978:IV than in 1978:III, instead of increasing only somewhat more rapidly.

The substantial acceleration of economic activity in 1978:IV that is suggested by personal income adjusted in this way is confirmed by labor market data. **Civilian employment** increased about 0.9 million in 1978:IV, compared with about 0.5 million in 1978:III. The increase in the **labor force** in 1978:IV—0.8 million—was one-fourth larger than the increase in 1978:III. Despite this large increase, **unemployment** and the **unemployment rate** were down, the latter to 5.8 percent in 1978:IV from 6.0 percent in 1978:III. In 1978:IV, the unemployment rate was 5.1 percent for whites and 11.5 percent for blacks and others.

In both September and October 1978, the **consumer price index** increased about 10 percent (at a seasonally adjusted annual rate). These increases were larger than the increases in July and August and were nearly as large as the monthly increases registered earlier in 1978. From October 1977 to October 1978, prices increased 8.9 percent. October-to-October price increases were largest in food, 11.5 percent, and services, 9.6 percent. The increase in commodities other than food was 7.0 percent. In November 1978, the consumer price index increased about 6 percent.

After recovering from last winter's severe weather, total **housing starts** were well-maintained through December 1978 despite high and rising interest rates. In each month of 1978:IV, starts totaled about 2.1 million (at a seasonally adjusted annual rate). The number of **building permits** for new private housing units remained strong through December 1978, indicating probable strength in housing starts in early 1979.

Regions and States

1977:III to 1978:III

Personal income

State personal income increased 12.1 percent. Real income increased about 4.2 percent, as the consumer price index increased 7.9 percent. The increase in current-dollar personal income exceeded the national increase in consumer prices by at least 1 percentage point in all States (and the District of Columbia) except Alaska and Michigan, where personal income increased 6.2 and 8.6 percent, respectively.

Most of the 22 States with above-average increases in personal income were in the South and West, including all States in the Southwest, Rocky Mountain, and Far West regions except Montana (map 1). Southern and western States have registered large increases during most of the seventies. From 1977:III to 1978:III, increases in farm income contributed strongly to the above-average increases in total personal income in Iowa and South Dakota. Mining wage and salary disbursements (payrolls) were particularly strong in Kentucky and West Virginia, which recovered from the adverse effects of wildcat strikes by coal miners in 1977:III, and in Minnesota, which recovered from an iron ore workers' strike in 1977:III. In most of the above-average States, payrolls in both construction and manufacturing increased faster than the national averages for construction (18.9 percent) and manufacturing (12.0 percent). Reflecting strength in commodity-producing industries, payrolls in private-service type industries also increased at above-average rates in most of these States.

Seven of the 10 States (and the District of Columbia) with below-average increases in personal income were in the Northeast-Great Lakes manufacturing belt, including all States in the Mideast region except Maryland. Manufacturing-belt States have registered small increases during most of the seventies. In most of the below-average States, payrolls in construction and government, as well as manufacturing (in particular, nondurables), increased at rates below the national average. As a result, private service-type industries were weak in nearly all of these States.

Manufacturing wages and salaries

Nationally, manufacturing wages and salaries (payrolls) increased 12.0 percent (map 2). The States with above-average increases included all those in the Southwest, Rocky Mountain; and Far West regions except New Mexico and Wyoming, and all of New England except Maine. In most of the above-average States, payrolls in both durables and nondurables manufacturing increased faster than the national averages for durables and nondurables. In the above-average States as a group, durables payrolls increased 22.3 percent versus 13.6 percent nationally, and nondurables payrolls increased 12.8 percent versus 9.3 percent nationally. The States (and the District of Columbia) with below-average increases were mainly in the Great Lakes and adjacent regions of the manufacturing belt. In most of the below-average States, both durables and nondurables payrolls increased at below-average rates; in the below-average States as a group, durables payrolls increased 8.1 percent, and nondurables payrolls increased 7.7 percent.

Civilian employment

Nationally, civilian employment increased 4.1 percent. Increases were registered in all States except Hawaii, Mississippi, and Arkansas (map 3). Most of the States with above-average increases were in the Far West and Rocky Mountain regions and northern New England. Nearly all of the States with below-average increases were in the Southeast, Plains, and Northeast-Great Lakes manufacturing belt.

Unemployment rates

Nationally, the unemployment rate in 1978:III was 5.9 percent. Four of the States (and the District of Columbia) with above-average rates were in the Mideast; the others were Alaska, Mississippi, Hawaii, California, Florida, and Michigan (map 4). Most of these States also registered above-average rates in 1978:II. The States with below-average rates were concentrated in the Plains and Rocky Mountain regions, where unemployment rates have been relatively low throughout the seventies, and in New England, where unemployment rates had been relatively high until recently.

From 1977:III to 1978:III, the national unemployment rate declined 0.9 percentage point. Eight States registered declines of 2 or more percentage points. In five of these—Washington, Nevada, New Jersey, Arizona, and Massachusetts—the decline mainly reflected strength in employment growth; and in the remaining three—the New England States of Rhode Island, Connecticut, and Maine—the decline mainly reflected weakness in labor force growth. While in 1977:III, most of the eight States had above-average unemployment rates, in 1978:III, most had near- or below-average rates. From 1977:III to 1978:III, 10 States registered unemployment rate increases. In five of these—Hawaii, Mississippi, Arkansas, South Dakota, and Delaware—the increase mainly reflected weakness in employment growth; and in the remaining five—Alaska, Indiana, Virginia, Wisconsin, and Kentucky—the increase mainly reflected strength in labor force growth.

Valuation of construction contracts

Nationally, the total valuation of construction contracts increased 14.3 percent. Most of the 19 States with above-average increases were in the Plains, Rocky Mountain, Far West, and Southeast regions (map 5). Among the 19 States, most had above-average increases in the valuation of residential housekeeping and nonresidential contracts, and ten had increases that exceeded 200 percent in the valuation of nonbuilding contracts. In Louisiana, North Dakota, Nebraska, Wyoming, Nevada, Virginia, Kentucky, and Wisconsin, the large increases in the valuation of nonbuilding contracts reflected contracts in 1978:III for the construction of

electric generating plants. The eight States (and the District of Columbia) with declines in the total valuation of contracts were geographically widespread. In New Hampshire, Georgia, and Indiana, the declines reflected large contracts for electric generating plants in 1977:III, which raised the total valuation of contracts to an unusually high level and thereby distorted the subsequent year-to-year change.

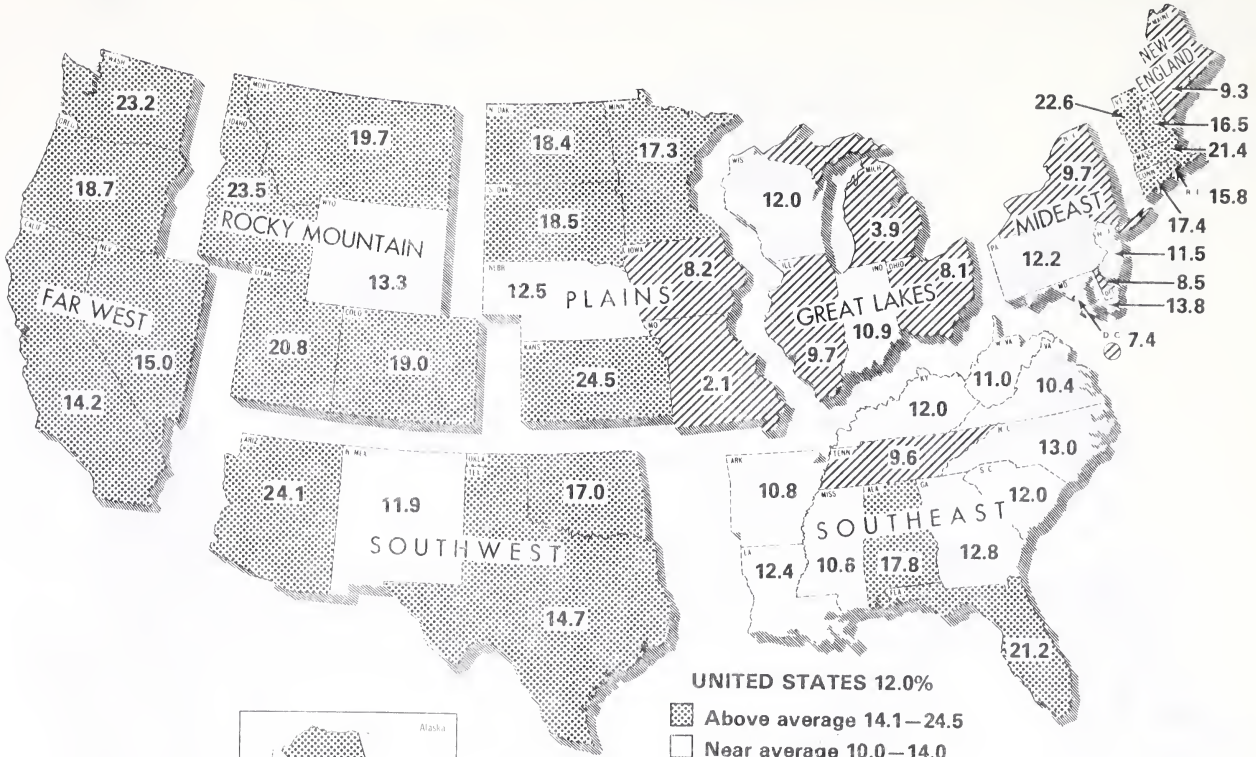
Number of dwelling units started

Nationally, the number of dwelling units started increased 0.4 percent. Most of the States with above-average increases were in the Plains, Rocky Mountain, Southeast, and New England regions, where increases in the valuation of residential housekeeping contracts also were strong (map 6). The States with large declines were concentrated in the Northeast-Great Lakes manufacturing belt and in the Far West. Each Far West State except Nevada had a large decline.

Value of commercial bank loans

Nationally, the value of commercial bank loans increased 16.3 percent. Most of the States with above-average increases were in the West, including all States in the Far West and Southwest regions except New Mexico (map 7). Nearly one-half of the States with below-average increases were in the Northeast-Great Lakes manufacturing belt.

Map 2. **Manufacturing Wages and Salaries: Percent Change, 1977: III—1978: III**



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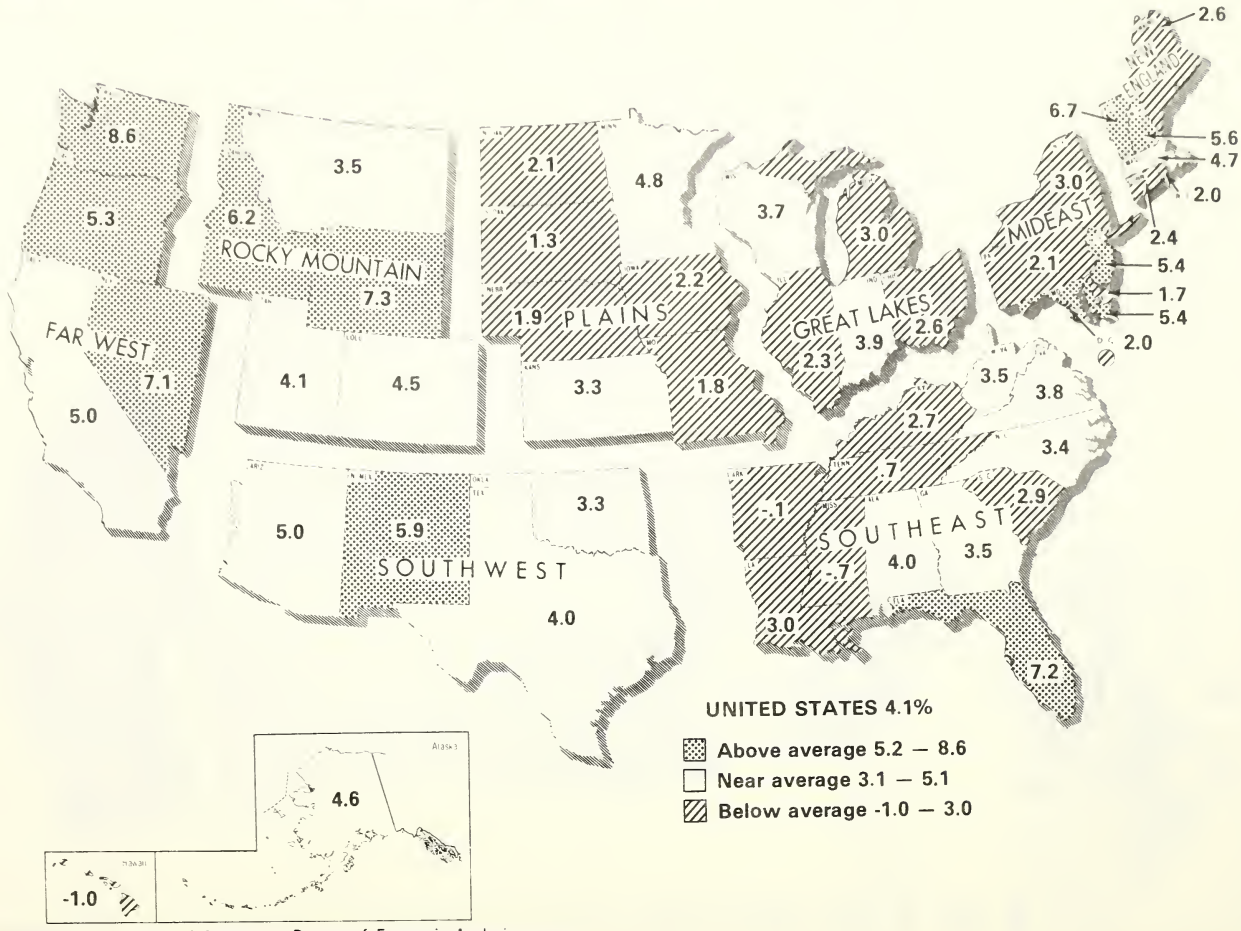
Map 3. Civilian Employment: Percent Change, 1977: III – 1978: III



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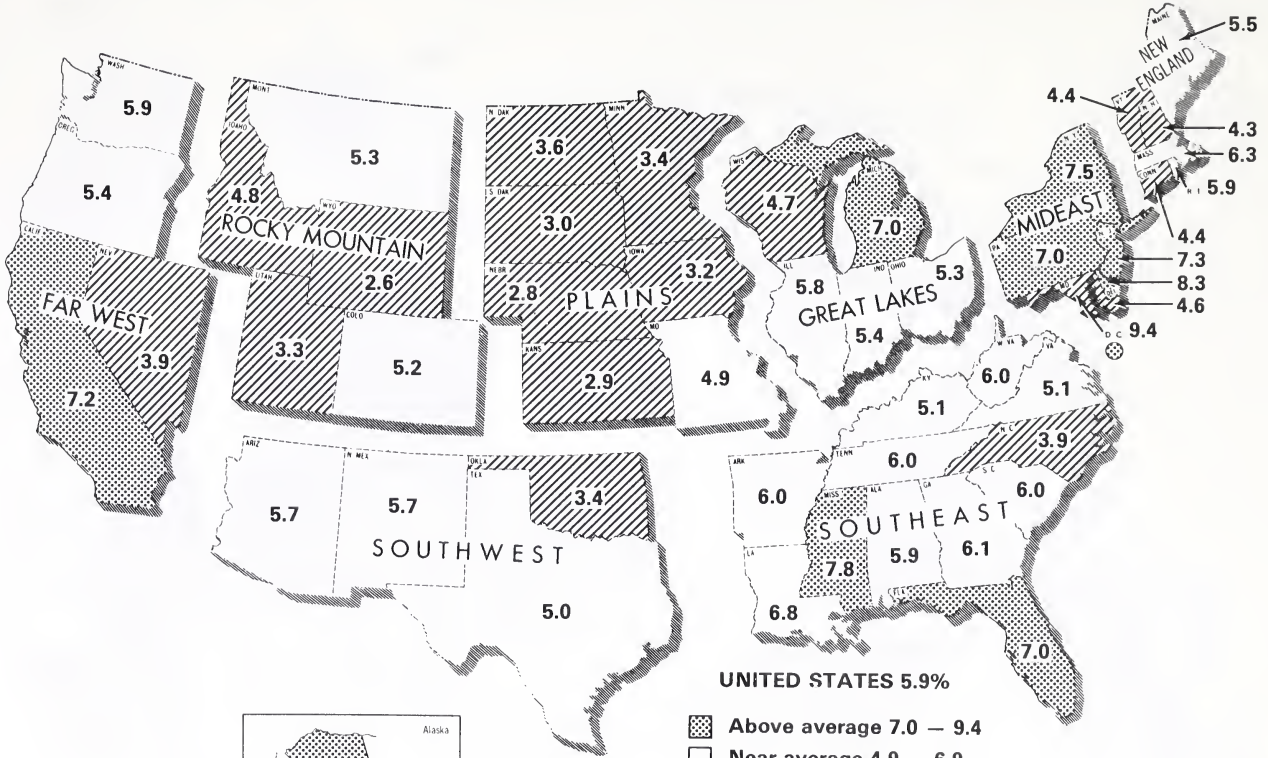
Map 4. **Unemployment Rates, 1978: III**



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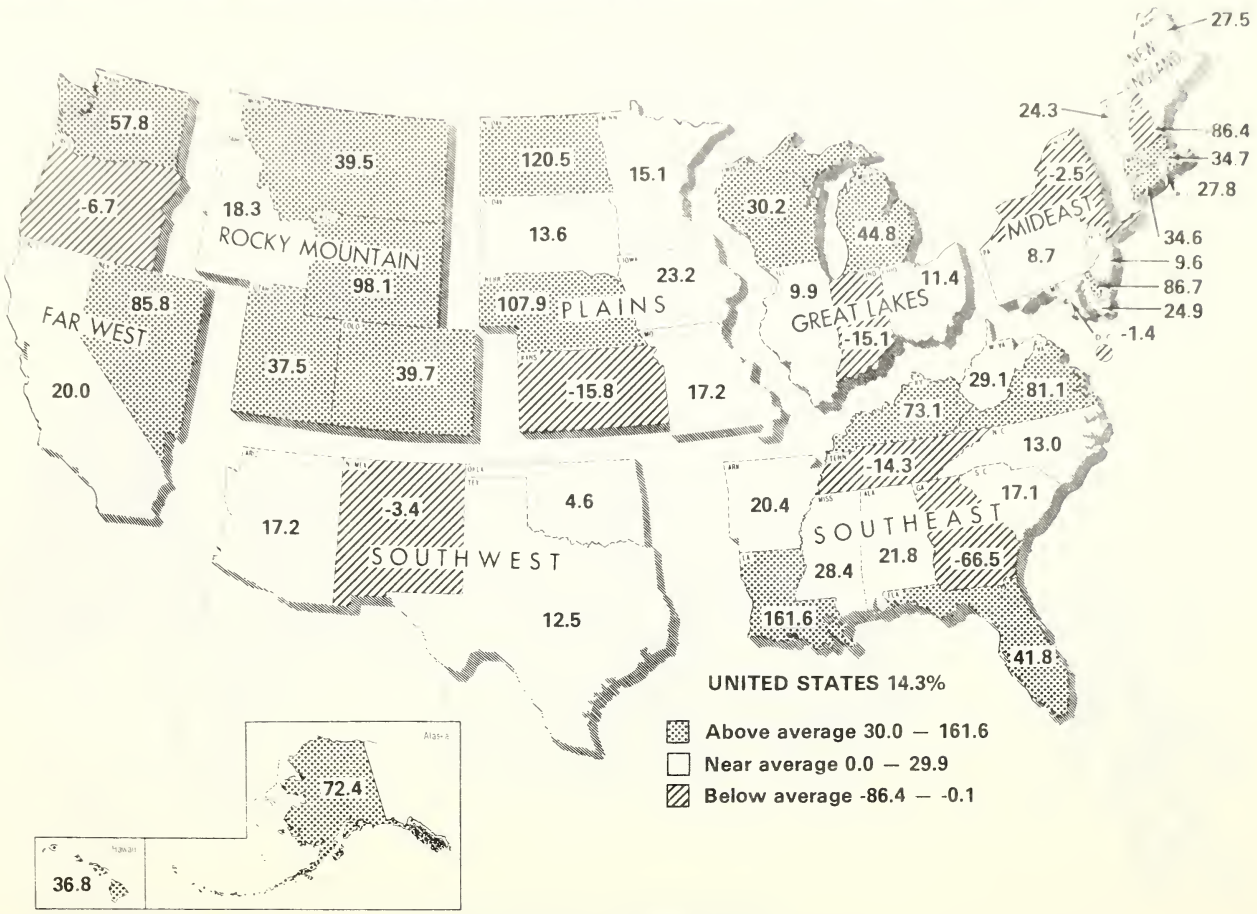
Map 5. Valuation of Construction Contracts: Percent Change, 1977: III – 1978: III



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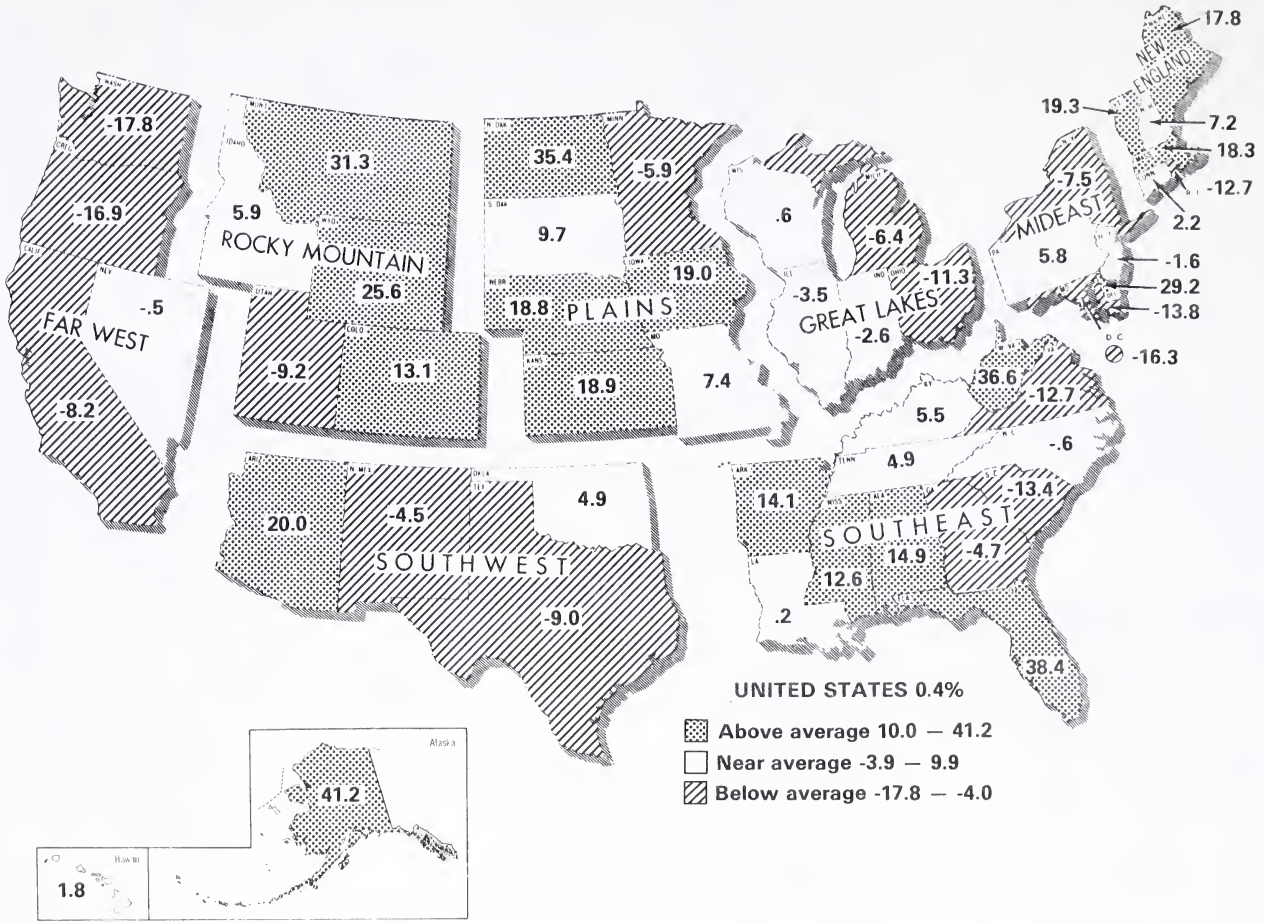
Map 6. **Number of Dwelling Units Started: Percent Change, 1977: III—1978: III**



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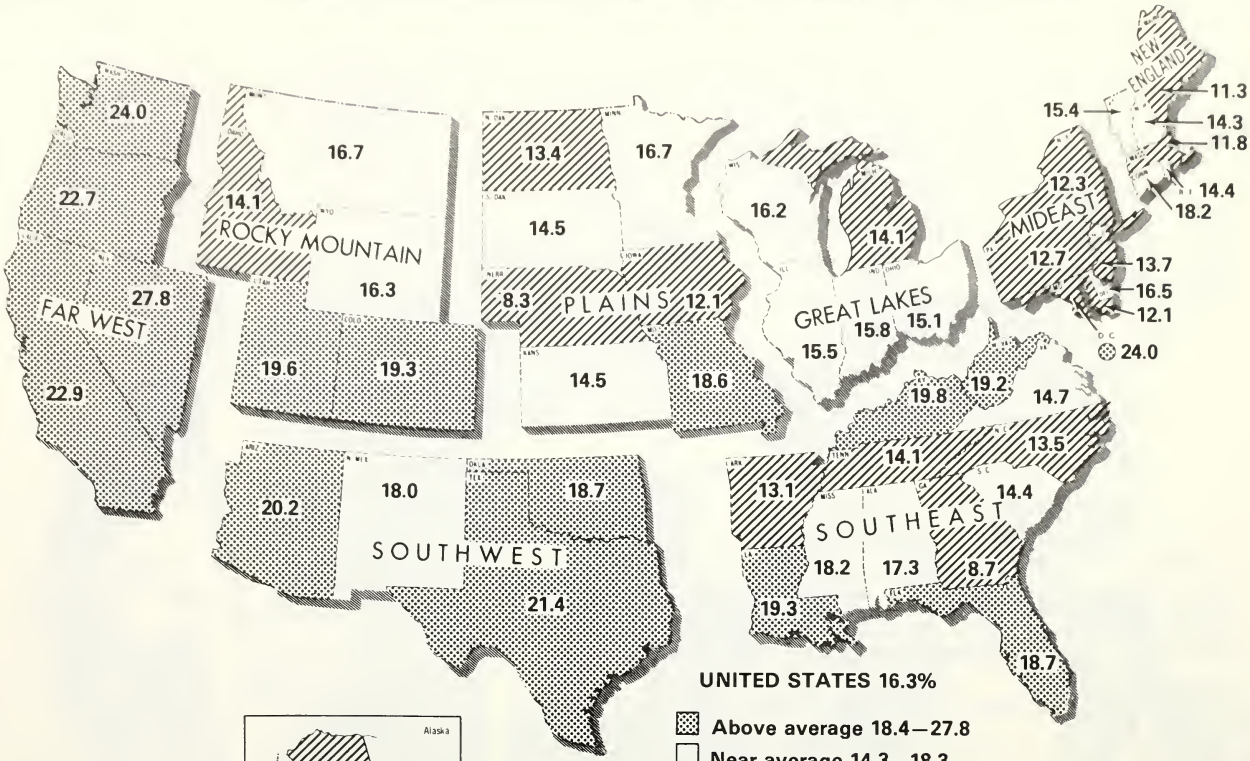
Map 7. Value of Commercial Bank Loans: Percent Change, 1977: III—1978: III



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